

Assembly Bill No. 1289

Passed the Assembly August 31, 2008

Chief Clerk of the Assembly

Passed the Senate August 29, 2008

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2008, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 19601.2 and 19605.77 of the Business and Professions Code, relating to horse racing.

LEGISLATIVE COUNSEL'S DIGEST

AB 1289, Price. Fairs: out-of-zone, out-of-state, and out-of-country races: harness racing: workers' compensation.

Existing law provides that when the San Mateo County Fair, or other fair or thoroughbred association, and the Humboldt County Fair simultaneously conduct race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is authorized to distribute the signal and accept wagers on out-of-zone, out-of-state, and out-of-country races if it complies with specified conditions.

Under existing law, for the period in which both fairs are conducting race meetings, the San Mateo County Fair, or other fair or thoroughbred association, is required to give to the Humboldt County Fair 0.75% of the out-of-zone, out-of-state, and out-of-country handle. Existing law requires the San Mateo County Fair to distribute the remaining amount by retaining 50% and distributing it equally as commissions and purses with the other 50% being paid to the state as a license fee.

This bill would make clarifying changes to the above provisions.

Existing law authorizes a harness racing association, until January 1, 2009, upon approval of the organization representing harness horsemen and horsewomen, to deduct an additional 1% from the conventional parimutuel pools of harness races for workers' compensation costs of trainers, as specified, with any funds not expended for this purpose in the year in which they are collected to either be used for the following year's workers' compensation costs or to benefit the harness purse pool, as specified. If the harness racing association and the organization representing harness horsemen and horsewomen cannot agree on the manner of distribution of these funds, the matter is required to be submitted to the California Horse Racing Board for a decision.

This bill would extend the operation of these provisions until January 1, 2014.

The people of the State of California do enact as follows:

SECTION 1. Section 19601.2 of the Business and Professions Code is amended to read:

19601.2. (a) During calendar periods when the San Mateo County Fair, or other fair or thoroughbred association, and the Humboldt County Fair simultaneously conduct race meetings in the northern zone, the San Mateo County Fair, or other fair or thoroughbred association, shall be the association authorized to distribute the signal and accept wagers on out-of-zone, out-of-state, and out-of-country races if it complies with the conditions specified in subdivision (a) of Section 19601. The amounts deducted from these wagers shall be distributed as provided in Section 19601, and license fees on races conducted by the Humboldt County Fair and on out-of-zone, out-of-state, or out-of-country races shall be as specified in subdivision (h) of Section 19601. Additionally, from, and to the extent of, license fees generated from the total handle of the San Mateo County Fair, or other fair or thoroughbred association, during the overlap, the San Mateo County Fair, or other fair or thoroughbred association, shall distribute to the Humboldt County Fair, not less than seven days after the close of the racing meeting, an amount equal to 0.75 percent of the out-of-zone, out-of-state, and out-of-country handle. From the amount remaining, if any, 50 percent shall be retained by the San Mateo County Fair, or other fair or thoroughbred association, to be distributed equally as commissions and purses, and 50 percent shall be paid to the state as a license fee.

(b) During calendar periods when the Fresno District Fair and any thoroughbred association in the northern zone both conduct race meetings, the thoroughbred association shall be the association authorized to distribute the signal and accept wagers on out-of-zone, out-of-state, and out-of-country races, if it complies with the conditions specified in subdivision (a) of Section 19601. The amounts deducted from these wagers shall be distributed as provided in Section 19601, and license fees on races conducted by the Fresno District Fair and on out-of-zone, out-of-state, or out-of-country races shall be as specified in subdivision (h) of Section 19601. Additionally, from, and to the extent of, license fees generated from the total handle of the thoroughbred association during the overlap, the thoroughbred association shall distribute

to the Fresno District Fair, not less than seven days after the close of the racing meeting, an amount equal to 0.75 percent of the out-of-zone, out-of-state, and out-of-country handle. From the amount remaining, if any, 50 percent shall be retained by the thoroughbred association to be distributed equally as commissions and purses, and 50 percent shall be paid to the state as a license fee.

SEC. 2. Section 19605.77 of the Business and Professions Code is amended to read:

19605.77. (a) Notwithstanding Section 19610, a harness racing association may deduct an additional 1 percent of the total amount handled in conventional parimutuel pools of harness races. This additional deduction shall only be permitted with the approval of the organization representing harness horsemen and horsewomen at the applicable racing association meeting.

(b) Any funds collected pursuant to subdivision (a) from conventional parimutuel pools on harness races within the inclosure of a racetrack, at satellite wagering facilities within this state, and through advance deposit wagering by residents of this state, shall be distributed to the organization described in subdivision (e) to be used in accordance with subdivision (d).

(c) Any harness racing association that authorizes a betting system located outside of this state to accept conventional wagers on its races and to combine those wagers in the association's conventional parimutuel pools, including, but not limited to, a multijurisdictional wagering hub as to conventional wagers made by residents other than those of this state, may deduct the amount specified in subdivision (a) in addition to any other applicable deductions specified in law. Any amount deducted pursuant to this subdivision shall be distributed to the organization described in subdivision (e) to be used in accordance with the provisions of subdivision (d). This additional deduction shall not be included in the amount on which license fees are determined pursuant to Section 19602.

(d) The amounts distributed to the organization described in subdivision (e) shall be deposited by that organization in a separate account and used to reduce the workers' compensation insurance costs for trainers who are racing horses at the applicable harness racing association meet. Any funds not expended for this purpose in the calendar year in which they are collected may either be used

for the following year's workers' compensation costs, as specified above, or to benefit the harness purse pool at the track where the funds are generated.

(e) The harness racing association and the organization representing harness horsemen and horsewomen shall form an organization to which any funds deducted pursuant to subdivisions (b) and (c) shall be distributed. The harness associations collectively shall have representation equal to that of the organization representing harness horsemen and horsewomen on the governing board of the organization formed pursuant to this subdivision.

(f) If the harness racing association and the organization representing harness horsemen and horsewomen cannot agree on the manner for distributing these funds to defray the costs of workers' compensation insurance, the matter shall be submitted to the California Horse Racing Board for a decision consistent with subdivision (d), and the decision of the board shall be final.

(g) This section shall remain in effect only until January 1, 2014, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, 2014, deletes or extends that date.

Approved _____, 2008

Governor